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From: Scott Waldman and David Giambusso - POLITICO New York
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Subject: POLITICO New York Energy: The voices in Schumer's head; power to the people

By David Giambusso and Scott Waldman

Good morning! Only POLITICO New York Pro subscribers receive this email at 5:30 a.m. each weekday. If you'd like to receive it at that time, along with a customized real-time news feed of New York energy policy news throughout the day, please contact us at lenglander@politico.com and we'll set you up for trial access. We'll send the same newsletter to non-Pro subscribers at 10 a.m. Thank you for reading.

SCHUMER HEARD FROM BIG \$ DONORS ON IRAN DEAL—The New York Times' Jonathan Weisman and Nicholas Confessore: “In the weeks before Senator Chuck Schumer’s decision to oppose the Iran nuclear accord, John Shapiro, a New York financier and a leader of the American Jewish Committee, had his ear, plying him with reasons to oppose it. Mr. Shapiro, a longtime benefactor of the New York senator and other Democrats, was hardly alone. Some of the wealthiest and most powerful donors in American politics, those for and against the accord, tried to get a word in with Mr. Schumer. Now, approaching a vote on President Obama’s most important international priority, the fight is expanding, with tens of millions of dollars flowing into ad campaigns, and contributors leveraging access to undecided Democrats.”
<http://nyti.ms/1JUYSzq>

WESTCHESTER TOWNS MOVE ON COMMUNITY POWER—POLITICO New York's David Giambusso: Now that one of the last legal hurdles has been cleared, towns in Westchester County are moving forward with a new approach to buying power that could have broad implications for the state's energy landscape. A group of nine towns in Westchester banded together to buy wholesale power on the open market under a program called Community Choice Aggregation, bypassing a function usually reserved for utilities. The group is hoping to export the idea throughout the county and perhaps the state. In February, the state Public Service Commission gave the core group of Westchester towns the go-ahead to purchase power on the wholesale market. But the towns faced a potential stumbling block: They were unsure whether they could pass legislation to enact the program or would each have to hold a referendum. The state Solicitor General said in an informal opinion earlier this summer that the towns, under the law of home rule, were free to bypass a potentially messy referendum process.
<http://politi.co/1DLb2k7>

ROSENTHAL PUSHES FOR BIODIESEL IN CITY SCHOOL BUSES—POLITICO New York's David Giambusso: New York City Councilwoman Helen Rosenthal will introduce legislation Thursday requiring all city school buses to use fuel with at least 5 percent biodiesel—a clean burning fuel derived from vegetation, cooking oil and animal fats.
<http://politi.co/1DLbNJN>

AROUND N.Y.

--PSEG line powers up: Newsday’s Mark Harrington reports, “A 23,000-volt cable that was the

subject of protests and a lawsuit in East Hampton has been energized with little fanfare, as PSEG Long Island and the village continue to negotiate a plan to eventually bury a section of the line.” <http://nwsdy.li/1MlgeMJ>

--A **Troy man** used a stick to fend off a bear attack. <http://politi.co/1MoB5Ac>

--**Opinion: The state must use ensure** that the Clean Energy Fund benefits the state’s poorest customers. <http://pojonews.co/1IM5y50>

--**Albany County Executive Dan McCoy** spoke with other county executives around the state about oil trains. <http://bit.ly/1hyVQfH>

--**Opinion: New York’s grid** is “old and balkanized” and new transmission lines are the cure. <http://bit.ly/1f85pQR>

--A **Green Island manufacturer** has produced a brighter LED light. <http://bit.ly/1IHTm7z>

--**Pollster polled on PennEast:** David Redlawsk, a New Jersey-based pollster, tweets that he received a push poll on the proposed 108-mile pipeline from the Marcellus shale to New Jersey. “For NJ friends, just got polled by 'Targetpoint Consulting' - q's about PennEast Pipeline. 5 or 6 pro-pipeline messages tested, no anti.” <http://bit.ly/1MlgV8x>

SWEET THURSDAY: Please let us know if you have stories, ideas, complaints or even if you're just lonely. We're always here at dgiambusso@politico.com and swaldman@politico.com. And if you like this letter, please tell a friend and/or loved one.

EPA CONTRACTOR BEHIND MINE SPILL—The Wall Street Journal’s Amy Harder, Alexandra Berzon and Jennifer Forsyth: “Missouri-based Environmental Restoration LLC was the contractor whose work caused a mine spill in Colorado that released an estimated 3 million gallons of toxic sludge into a major river system, according to a person familiar with the matter and government documents reviewed by The Wall Street Journal. The U.S. Environmental Protection Agency, which was overseeing the servicing of the mine at the time, has said an outside contractor was using heavy equipment to enter the Gold King Mine when it breached a debris dam, letting out wastewater that had built up inside the mine. The EPA hasn’t publicly named the contractor. Officials at the company, based in Fenton, Mo., didn’t return multiple calls for comment. According to various government documents, Environmental Restoration had signed an agreement to provide emergency protection from pollutants from the Gold King Mine, near Durango, Colo., in the southwestern part of the state. The spill has fouled the nearby Animas River, turning its water mustard yellow in the initial several days after the spill on Aug. 5.” <http://on.wsj.com/1L6GR6k>

JAPAN NUCLEAR REACTOR RESTART MEANS LESS COAL—Vox’s Brad Plumer: “After a 9.0-magnitude earthquake and resulting tsunami hit Japan's northeastern coast in 2011, leading to the famous reactor meltdown at Fukushima, the country decided to hit the pause button on nuclear power. Over the next few years, Japan steadily took all 54 of its reactors offline while regulators reevaluated their safety rules. That turned out to be quite painful. Before

Fukushima, nuclear power supplied 27 percent of Japan's electricity. By 2014, that had dwindled to zero. To make up the gap, Japan had to import more coal, oil, and natural gas from overseas.” <http://bit.ly/1Mozn1U>

EXELON FUNDING FUEL CELL ‘STARTUP’: Exelon is funding 40 megawatts worth of fuel cell development by Bloom Energy, which Fortune describes as a “14-year-old startup.” We’re not business mavens by any stretch, but we can say with confidence that when you’ve been around for 14 years and are subcontracting to one of the biggest energy companies on the planet, the “Silicon Valley startup” moniker no longer applies. <http://for.tn/1NrDJ5r>

WEATHER DROPS PROPANE SALES—SNL Energy’s Tom Pawlicki: “While springtime is typically one of the weaker times of year for retail sales of propane, an early end of winter’s cold and wetter-than-normal weather adversely impacted demand for space heating and grilling, according to two of the nation’s largest retailers. AmeriGas Propane Inc. is the nation’s largest retail propane marketer with approximately two million customers in all 50 states, and reported retail sales of 202.2 million gallons in the company’s fiscal third quarter ended June 30. Sales were down 6.2% from 215.6 million gallons reported in the same period in the prior year. “Warmer spring weather led to an early end to the heating season for the first time in three years,” Jerry Sheridan, president and CEO of AmeriGas, said in the earnings release on Aug. 3. “In addition, the wet weather experienced later in the quarter had a negative impact on our barbeque cylinder exchange business.” <http://bit.ly/1WjSnSf>

DEREGULATION DROPS TEXAS ENERGY PRICES—SNL Energy’s Christine Cordner: “A new report by a coalition of Texas cities and other political subdivisions found recent average residential electricity prices in areas with deregulated retail electric service finally dropped below the national average since the state implemented deregulation. The Texas Coalition for Affordable Power’s report, released Aug. 12, found that retail customers in deregulated areas paid on average 12.08 cents per kWh for electric-ity in 2013, compared to the U.S. average of 12.22 cents per kWh. Average residential prices within the region served by the Electric Reliability Council of Texas Inc. in 2013 were higher than prices charged outside that region, it said. While prices were below the national average in 2013 and 2012—the latest data available for the analysis—the TCAP report did not include all good news, finding also that customers on average have paid lower rates in areas of the state exempt from deregulation than those in deregulated areas. About 85% of the state can shop for a retail electricity provider while the rest receive their electricity from deregulation-exempt providers.” <http://bit.ly/1h43iQ7>

U.S. CHURCHES EXAMINE DIVESTMENT—The Guardian: “Pope Francis heartened environmentalists around the world in June when he urged immediate action to save the planet from the effects of climate change, declaring that the use of ‘highly polluting fossil fuels needs to be progressively replaced without delay.’ But some of the largest US Catholic organisations have millions of dollars invested in energy companies, from hydraulic fracturing firms to oil sands producers, according to their own disclosures, through many portfolios intended to fund church operations and pay clergy salaries. This discrepancy between the church’s leadership and its financial activities in the US has prompted at least one significant review of investments. The Archdiocese of Chicago, America’s third largest by Catholic population, told Reuters it will re-examine its more than \$100m (£64m) worth of fossil fuel investments.” <http://bit.ly/1NrBuz2>

STATES LAUNCH CLEAN POWER SUITS—The Hill: “Seventeen states filed a lawsuit challenging the Environmental Protection Agency’s (EPA) crackdown on air pollution from power plants during exceptional periods. Led by Florida, the states said that the EPA improperly shifted the federal-state balance that the Clean Air Act sets with the EPA’s rule for startup, shutdown and malfunction pollution.” <http://bit.ly/1NrBTS1>

ENERGY COMPANIES THAT STILL LACK WOMEN: There are only 12 companies in the S&P 500 that have no women on their boards of directors. Of those, at least four are energy companies. <http://wapo.st/1Mlf6Zu>

FUTURES:

--Oil rises, gasoline jumps: The International Energy Agency reported that demand for crude and gasoline was up, giving a rare boost to futures prices.

“Light, sweet crude for September delivery gained 22 cents, or 0.5%, to settle at \$43.30 a barrel on the New York Mercantile Exchange. Brent crude, the global benchmark, gained 48 cents, or 1%, to \$49.66 a barrel on ICE Futures Europe.

“Gasoline futures settled up 6.98 cents, or 4.1%, at \$1.7635 a gallon. Prices hit their highest point for August after gains of 8.7% over three sessions. It is among gasoline’s sharpest rallies in months.” <http://on.wsj.com/1Mlgqvi>

--Natural gas feels the heat: Futures prices climbed on reports of warmer weather.

“The front-month September contract settled up 8.7 cents, or 3.1%, to \$2.931 a million British thermal units on the New York Mercantile Exchange. It was the largest one-day percentage gain and three-session rally in nearly a month. Prices surged out of the 23-cent range they had settled in every day since early June and closed at their highest price since May 21.” <http://on.wsj.com/1MlgyuR>

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